

## Action Item

### *Governmental Relations Committee*

Federal Update, February 2001

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This item provides a brief update on some of the major issues affecting education occurring at the national level. Since this report was prepared in mid-January, Commission staff will provide an oral update on subsequent events at the Commission's February 5 meeting.

In addition, at its December 11, 2000, meeting, the Commission indicated that it would like to receive a recommendation upon which it could act concerning the Pell Grant tuition sensitivity provision in Federal law and its impact on California Community College students. The last section of this agenda item provides the requested recommendation and staff requests that the Commission approve this recommendation.

*Recommended Action:* Committee approval and Commission adoption of the recommendation regarding the federal Pell Grant tuition sensitivity formula for appropriate transmittal.

*Presenter:* Karl M. Engelbach.



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In addition, at its December 11, 2000, meeting, the Commission indicated that it would like to receive a recommendation upon which it could act concerning the Pell Grant tuition sensitivity provision in Federal law and its impact on California Community College students. The last section of this agenda item provides the requested recommendation and staff requests that the Commission approve this recommendation.

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## **Overview of events**

The 106<sup>th</sup> Congress adjourned on December 15, 2000. Among their final actions prior to adjournment was passage of the FY 2000-2001 Labor, Health and Human Services (HHS), and Education appropriations bill. On January 3, 2001, the 107th Congress was sworn in. President-elect Bush is expected to deliver his FY 2002 budget proposal on February 5, 2001.

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## **Federal fiscal year 2000-2001 appropriations**

On December 21, 2000, President Clinton signed HR 4577, which included the Labor, HHS, and Education conference spending report. The final bill, which included the largest single increase ever approved in federal education funding (an 18 percent increase over the prior fiscal year), provided \$42.1 billion in discretionary funds to the Department of Education, an increase of \$6.5 billion over FY 2000.

Funding for federal student aid related programs for FY 2001 includes the following:

- ◆ Federal Pell Grant Maximum Award: \$3,750 (a \$450 or a 13.6 percent increase).
- ◆ Leveraging Educational Assistance Partnerships Program or LEAP -- federal funds that help support the State Cal Grant Program: \$55 million (a \$15 million or a 37.5 percent increase).
- ◆ Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) -- a federal program targeted at middle schools to increase students' preparedness for college: \$295 million (a \$95 million or a 47.5 percent increase).
- ◆ TRIO -- three federal programs that assist students in preparing for college success: \$730 million (an \$85 million or a 13.2 percent increase).

- ◆ Federal Work Study: \$1.011 billion (a \$77 million or a 8.2 percent increase).
- ◆ Supplemental Educational Opportunity Grants (SEOG) -- a federal grant program administered at the institutional level: \$691 million (a \$60 million or a 9.5 percent increase).
- ◆ Perkins Loan Program -- federal funds to colleges and universities to provide loan funds to needy students: \$100 million (no increase).

Other non-financial aid highlights of the FY2001 appropriations bill include additional funding for:

- ◆ Reducing Class Size with the third installment to be used to support training and hiring 100,000 new teachers over seven years to reduce class sizes in early grades to 18 students per class: \$1.6 billion - a 25 percent increase - which will mean approximately 8,000 new highly qualified teachers in the nation's schools.
- ◆ Upgrading Teacher Skills and Quality through Eisenhower Professional Development State Grants which will be receiving \$451 million -- a 45 percent increase -- to provide professional development for uncertified teachers and teachers who are not trained in the subjects they are teaching. As a result, the Commission will receive a 45 percent increase in its federal Eisenhower Program funding; bring its FY 2001 funding for this program to approximately \$8.5 million. Additional information regarding the staff's preliminary plans for this funding is contained in the materials under the Executive Director's Report for this Commission meeting.
- ◆ Improving Reading and Math by increasing Title I Grants to local education agencies which help disadvantaged students learn the basics and achieve high standards: \$8.6 billion - an 8.3 percent increase. The bill also includes the full Administration request -- \$286 million - for the Reading Excellence Act.
- ◆ Urgent School Renovation Grants would provide support for emergency repairs such as repair of roofs, plumbing and electrical systems, meeting fire and safety codes, and includes funding for special education services or technology-related construction activities and support for a new charter school facility financing pilot: this new program was funded at \$1.2 billion.
- ◆ 21st Century After-School Programs offer 650,000 additional school-age children in 3,100 new family centers a safe, drug-free environment to learn during after-school and summertime hours while helping strengthen academic achievement: \$845 million - an increase of 87 percent. These centers, approximately 6,700 centers in 2001, would also offer lifelong learning opportunities for adults.
- ◆ Strengthen Accountability by accelerating state and local efforts to improve the lowest performing Title I schools with reforms ranging

from intensive teacher training to required implementation of proven reforms to school takeovers: \$225 million.

- ◆ Comprehensive School Reform helps schools develop or adapt comprehensive school reform models that are based on reliable research and effective practices: \$260 million - an 18 percent increase.
- ◆ Special Education Grants to States to assist them in providing a free appropriate public education to more than 6.3 million children with disabilities nationally: \$6.3 billion - a 27 percent increase.

The conference bill also included the following provisions to amend the Higher Education Act (HEA) of 1965:

- ◆ Amending Section 415 to clarify that funds provided under the Special Leveraging Educational Assistance Partnerships Program may not be used for administrative purposes. In addition, it clarifies that matching funds must come from new sources in order to leverage more state funding.
- ◆ Amending Part A of Title IV, allowing grantees receiving funding under the Student Support Services program within TRIO to use part of these funds for direct grant aid to needy students. The amendment has a number of specific requirements for grants provided under this provision.
- ◆ Amending Section 435 with respect to cohort default rates. The amendment extends the date for eliminating Historically Black Colleges and Universities (HBCU) from the loan programs due to high default rates from July 1, 2002 to July 1, 2004.
- ◆ Making clarifying changes to language in the HEA related to certain legal issues that have arisen in student loan financing matters, particularly as a result of the use of a master promissory note in student loan programs. The provision clarifies the method for perfecting security interests in student loans, as well as the method for establishing priority.
- ◆ Modifying the process to appeal cohort default rate calculations by institutions of higher education. For fiscal years 1997 and 1998 cohort default rate calculations, an institution may retain eligibility for the Title IV student aid programs if they fail to timely appeal their cohort default rate so long as the reason for their failure is (i) substantially justified; (ii) based on a failure of the guaranty agency to correct erroneous data after a proper request; and (iii) the institution would have been eligible had the erroneous data been corrected.

Attachment A to this item, which was prepared by the American Association of State Colleges and Universities, provides a summary of FY 2001 funding levels for the major federal education programs,

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**New Federal  
Secretary of  
Education and  
Appointment of an  
Education  
Transition Advisory  
Committee**

President-Elect Bush announced that Dr. Roderick Paige, Superintendent of Schools in Houston, Texas, will become the next Secretary of Education. Dr. Paige, whose appointment is subject to confirmation by the Senate, previously served as the Dean of the College of Education at Texas Southern University. After graduating from Jackson State University in 1955, he coached college football for 20 years, including stints as head coach at Utica Junior College, Jackson State, and Texas Southern University. He earned his master's and doctoral degrees in physical education from Indiana University at Bloomington, where he wrote his dissertation on football linemen. He also taught physical education at the University of Cincinnati and Texas Southern.

In 1975, he became the athletics director at Texas Southern, and served in that post until 1980, when he became a full-time faculty member. In 1984, the university's president appointed him dean of the school of education, a position he held until 1990. A year earlier, he had been elected to the Houston school board and, in 1994, he was appointed superintendent.

In addition, President-elect Bush appointed the following individuals to an advisory committee to help him on education issues during the transition:

- ◆ Lamar Alexander, former secretary of education and former governor of Tennessee.
- ◆ Norman R. Augustine, retired chairman and chief executive officer of Lockheed Martin Corporation.
- ◆ Keith Bailey, president of the Williams Companies.
- ◆ Frank Brogan, lieutenant governor of Florida.
- ◆ John Chambers, president of Cisco Systems Inc.
- ◆ Sharon Darling, president of the National Center for Family Literacy.
- ◆ Williamson M. Evers, a research fellow at the Hoover Institution on War, Revolution, and Peace.
- ◆ Chester Finn, president of the Thomas B. Fordham Foundation.
- ◆ Floyd Flake, a former Congressman and the senior pastor of the Allen African Methodist Episcopal Church, in Queens, N.Y.
- ◆ Howard Fuller, founder of the Institute for the Transformation of Learning.
- ◆ Lisa Graham Keegan, superintendent of public instruction in Arizona.
- ◆ Eugene Hickok, secretary of education in Pennsylvania.
- ◆ Phyllis Hunter, a consultant with the Texas Reading Initiative.
- ◆ Robert King, chancellor of the State University of New York System.
- ◆ Reid Lyon, chief of the Child Development and Behavior Branch of the National Institute of Child Health and Human Development at the National Institutes of Health.
- ◆ Modesto A. Maidique, president of Florida International University.

- ◆ Bruno Manno, a senior program associate at the Annie E. Casey Foundation.
- ◆ John McKernan, former governor of Maine.
- ◆ Charles Miller, chairman of Meridian Advisors Ltd.
- ◆ Darla Moore, president of Rainwater Inc.
- ◆ Lynne Munson, a research associate at the American Enterprise Institute.
- ◆ Diana S. Natalicio, president of the University of Texas at El Paso
- ◆ Susan Neuman, director of the Center for Improvement of Early Reading Achievement at the University of Michigan.
- ◆ Hugh B. Price, president of the National Urban League.
- ◆ Diane Ravitch, a research professor at New York University.
- ◆ Ed Rust, Jr., chairman of the State Farm Insurance Companies.
- ◆ Ted Sanders, president of the Education Commission of the States.
- ◆ Andrew Sorenson, president of the University of Alabama at Tuscaloosa.
- ◆ Paul Vallas, chief executive officer of the Chicago Public Schools.
- ◆ Maris A. Vinovskis, a senior research scientist at the Institute for Social Research at the University of Michigan.
- ◆ Mark Yudof, president of the University of Minnesota.

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**New chair of the  
house education  
and the workforce  
committee**

The Republican Conference voted to name Representative John Boehner (R-OH) as the new Chairman of the House Education and the Workforce Committee. Congressman Boehner replaces retired Representative Bill Goodling. Subcommittee chairs will be selected later.

House Democrats have named California Representative George Miller as the new Ranking Member of that committee.

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**NCES releases  
TIMSS-R results**

On December 5, 2000, the National Center for Education Statistics released TIMSS-R, the repeat of the Third International Mathematics and Science Study (TIMSS) first conducted in 1995.

In the 1995 TIMSS study, U.S. students ranked above the international average in the 4th grade and dropped to the middle in 8th grade. The performance of 12<sup>th</sup> grade U.S. students ranked among the lowest scoring nations.

This report follows up on the 1995 TIMSS with an assessment of eighth graders knowledge of math and science in 38 nations. TIMSS-R results show that there was no change in 8th grade mathematics or science achievement in the United States between 1995 and 1999.

The 1999 TIMSS-R study also provides the opportunity to compare the performance of fourth graders in 1995 with the performance of eighth graders in 1999 in 17 countries. Overall these results show that the rela-

tive performance for eighth grade students was lower in TIMSS-R than it was for fourth grade students four years earlier in the 1995 TIMSS.

“This finding validates the results of the previous 1995 study that after the fourth grade, students in the United States fall behind their international peers as they pass through the school system,” noted Dr. Gary Phillips, acting commissioner of education statistics.

In science, U.S. 8<sup>th</sup> grade students outperformed their peers in 18 nations (Italy, Malaysia, Lithuania, Thailand, Romania, Israel, Cyprus, Moldova, Republic of Macedonia, Jordan, Iran, Indonesia, Turkey, Tunisia, Chile, Philippines, Morocco, and South Africa), performed similarly to peers in 5 nations (Hong Kong, Russian Federation, Bulgaria, New Zealand, and Latvia), and performed lower than peers in 14 nations (Chinese Taipei, Singapore, Hungary, Japan, Korea, Netherlands, Australia, Czech Republic, England, Finland, Slovak Republic, Belgium, Slovenia, and Canada) in 1999.

In 1999, the U.S. was one of 16 TIMSS-R nations in which 8th grade boys outperformed 8<sup>th</sup> grade girls in science. In 22 nations, no difference between the achievement of 8<sup>th</sup> grade boys and girls was found.

Although 8<sup>th</sup> grade black students showed an increase in mathematics achievement over 4 years, they showed no change in achievement in science over the same period. U.S. 8<sup>th</sup> grade Hispanic students also showed no change in math or science achievement between 1995 and 1999.

While the 8th science achievement remained flat for U.S. students between 1995-1999 and for students in 17 other countries, four countries saw significantly higher scores from the 1995 average: Latvia, Lithuania, Canada, and Hungary.

Eighty percent of U.S. 8<sup>th</sup> graders were asked to explain the reasoning behind an idea in most or every science lesson in 1999, a higher percentage than the international average of 67 percent.

When students were asked how often they conducted an experiment or practical investigation in their science lessons, 65 percent of 8<sup>th</sup> graders reported that occurred almost always or pretty often during their science lessons in 1999. This is higher than the international rate of 57 percent.

A higher percentage of 8th grade students reported they used computers almost always or pretty often in math classes (12 percent) and in science classes (21 percent) compared to their international peers (5 and 8 percent respectively.)

Eighth grade students in other nations were more likely to be in a class where the teacher emphasized general or integrated science or biology, while U.S. students were more likely to be in a class that emphasized earth science or physical science.

U.S. 8th grade students were more likely than their international peers to discuss completed homework in their math and science classes, and more likely than their international peers to begin homework in class.

Highlights of the report & the full report -- "Pursuing Excellence: Comparisons of International Eighth-Grade Mathematics & Science Achievement from a U.S. Perspective, 1995 & 1999" -- are at:

<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2001028>

<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2001027>

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**Americans  
overestimate price  
of college**

A new study by the American Council on Education examined the public's perception of the cost of attending college. The study, entitled "Taking Stock: How Americans Judge Quality, Affordability and Leadership at U.S. Colleges and Universities," asked 850 people to estimate tuition at two- and four-year institutions. According to the survey, respondents pegged the cost of tuition at a public four-year college at \$10,449, 212 percent higher than the actual price. They also estimated tuition and fees at a public two-year college to be \$6,497 compared with the actual average of \$1,627. Respondents also believed the cost of tuition at private four-year colleges to be \$19,306, when it is actually \$15,380.

At the same time, fewer people surveyed were concerned about paying for college. More than half (54 percent) of the respondents said they were worried "a lot" about the cost of a college education, down from 65 percent two years ago. Also, 60 percent of those included in the survey believe that colleges do not try to keep tuition at an affordable level.

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**Panel releases  
report on web-  
based education**

A recent report by the congressionally mandated Web-Based Education Commission makes several suggestions as to how to use the Internet to promote learning in the nation's schools. Many legislators believe that Congress will act quickly to begin the process of bringing the recommendations to the House floor. Three of the recommendations will likely be acted upon soon: removing regulatory barriers, expanding broadband access to rural areas and inner cities, and improving teacher training. Even so, there are still some questions as to how the proposed programs will be implemented. For example, legislators will need to decide whether federal money set aside for teacher training must be used for technology or whether the state has discretion in how the money can be spent. The commission also recommended conducting new research on learning and assessment, ensuring quality of online education, protecting online students and sustaining funding levels for technology infrastructure.

In mid-January, the executive summary of the Web Commission's report was sent to each Commissioner. The full report is available on-line at:

<http://www.ed.gov/offices/AC/WBEC/FinalReport/>.



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**State higher  
education  
spending rises  
more slowly**

State appropriations for higher education have increased since last year, but not as quickly as before according to a new survey by the Center for the Study of Education Policy at Illinois State University. According to the survey, aggregate state expenditures on higher education needs other than construction increased \$3.9 billion or 7 percent in the past year. Much of the increase was caused by a 17 percent increase in higher education funding in California in 2000-01. But, at the same time, 2 states, Hawaii and Louisiana cut their higher education budgets in fiscal year 2001 while none had done so last year. Also, the increase in higher education spending in 10 states was less than inflation in the past year.

Spending for student aid also grew, as the average increase in scholarships and grants rose by over \$400 million or more than 12 percent since fiscal year 2000. Most of the increase was in merit-based scholarships. The authors of the survey caution that not all states report data in the same way and that population growth was not taken into account when calculating appropriations.

More information about the survey can be found at:

<http://www.coe.ilstu.edu/grapevine/>.

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**States focus on  
upcoming fiscal  
changes**

Higher education officials around the country are preparing for a turn in their states' economies. In several states, colleges and universities are requesting smaller increases and others are expecting their legislators to try to balance the budget using funds previously appropriated to higher education. So far, 10 states have cut this year's budget in order to avoid a deficit. Governor Hodges of South Carolina has already told state agencies to expect a 15 percent cut in this year's budget, while some officials expect Mississippi's higher education budget to be cut by 14 percent for four-year institutions and 20 percent for community colleges.

At the same time, in order to deal with labor shortages, many states are proposing scholarships for certain subject areas. Governor Kitzhaber of Oregon has proposed a state-sponsored engineering scholarship program that would be worth \$20 million, which he hopes will double the number of engineering students in the state. Legislators in Illinois, North Dakota and Oklahoma are all expected to propose similar scholarship programs for other high-demand fields. While the fiscal condition of many states is beginning to take a turn, other states are still going strong. As a result of recent increases in natural gas prices, Wyoming, Oklahoma and Alaska expect to have budget increases in the coming year. Fortunately, California's fiscal position also appears strong based on the recently proposed Governor's budget.

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**Carnegie released  
updated  
classifications**

The Carnegie Foundation for the Advancement of Teaching released its final version of classifications for higher education institutions. This version, named the "Millennial Edition" made several changes from the preliminary edition released in August. In the new edition 85 institutions were added, as their data for those institutions was not available previ-

ously. Also, the classifications for some colleges and universities were changed since their previous classifications were based on incorrect data or they were eligible for more than one category and the first one was inappropriate.

The 2000 Carnegie Classifications of Institutions of Higher Education can be found at <http://www.carnegiefoundation.org/Classification/index.htm>

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**Federal Pell Grant  
tuition sensitivity  
recommendation**

At its December 11, 2000, meeting, the Commission indicated that it would like to receive a recommendation upon which it could act concerning the Pell Grant tuition sensitivity provision in Federal law and its impact on California Community College students. It also directed staff to draft a letter to be transmitted to all members of the California Congressional delegation concerning this matter. Attachment B to this agenda item contains the letter that was sent by the Commission's Chair and Vice Chair on this issue to all members of the California Congressional delegation. Consistent with the Commission's previous discussions of this matter, the staff requests that the Commission adopt the following recommendation:

*The Commission recommends that California's Congressional delegation seek the support and enactment of a change in the Federal Pell Grant tuition sensitivity provision that will enable California's lowest income community college students to receive the maximum Pell Grant award.*

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## Attachment A

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FY2001 Funding Levels for Selected Education Programs (\$ in millions)					
	FY 2000 Enacted	FY 2001 President	FY2001 Final Bill	\$ Amount Change from FY2000	Percentage Change from FY2000
<b>FUNDING FOR SELECTED PROGRAMS</b>					
21st Century Community Learning Centers	\$453.4	\$1,000.0	\$845.6	\$392.2	86.5%
<b>Small, Safe, and Successful High Schools</b>	\$45.0	\$120.0	\$125.0	\$80.0	178.0%
Technology Literacy Challenge Fund	\$425.0	\$450.0	\$450.0	\$25.0	5.9%
<b>Next Generation Technology Innovation</b>	n/a	\$170.0	\$0.0	\$0.0	0.0%
Technology Innovation Challenge Grants	\$146.3	\$0.0	\$136.3	-\$9.9	-6.8%
Star Schools	\$50.5	\$0.0	\$59.3	\$8.8	17.3%
Technology Leadership Activities	\$2.0	\$2.0	\$2.0	\$0.0	0.0%
Community Based Technology Centers	\$32.5	\$100.0	\$65.0	\$32.5	99.8%
Preparing Tomorrow's Teachers to use Technology	\$75.0	\$150.0	\$125.0	\$50.0	66.7%
<b>Recognition and Reward</b>	n/a	\$50.0	\$0.0	\$0.0	0.0%
Goals 2000 (a)	\$491.0	\$33.0	\$38.0	-\$453.0	-92.2%
School-to-Work	\$55.0	\$0.0	\$0.0	-\$55.0	-100.0%
Title I (total)	\$8,700.9	\$9,149.5	\$9,532.6	\$831.6	9.6%
Basic Grants	\$6,783.0	\$5,683.1	\$7,237.7	\$454.7	6.7%
Concentration Grants	\$1,158.4	\$1,002.9	\$1,364.0	\$205.6	17.7%
Targeted Grants	\$0.0	\$1,671.5	\$0.0	\$0.0	0.0%
Accountability Grants (b)	\$134.0	\$250.0	\$225.0	\$91.0	68.0%
Even Start	\$150.0	\$150.0	\$250.0	\$100.0	66.7%
Migrant Education	\$354.7	\$380.0	\$380.0	\$25.3	7.1%
Comprehensive School Reform Demonstrations	\$170.0	\$190.0	\$210.0	\$40.0	23.5%
Impact Aid	\$906.5	\$770.0	\$993.3	\$86.9	9.6%
<b>Teaching to High Standards</b>	n/a	\$690.0	\$0.0	\$0.0	0.0%
Eisenhower Professional Dvlp. (State)	\$335.0	\$0.0	\$485.0	\$150.0	44.8%
Eisenhower Professional Dvlp. (National)	\$0.0	\$0.0	\$44.0	\$44.0	n/a
<b>School Leadership Initiative</b>	n/a	\$40.0	\$0.0	\$0.0	0.0%
Eisenhower Professional Dvlp. (Federal)	\$23.3	\$0.0	\$23.3	\$0.0	0.0%
<b>Teacher Quality Initiatives: Hometown Teachers</b>	n/a	\$75.0	\$0.0	\$0.0	0.0%
<b>Teacher Quality Initiatives: Higher Standards, Higher Pay</b>	n/a	\$50.0	\$0.0	\$0.0	0.0%
<b>Teacher Quality Incentives</b>	n/a	\$50.0	\$0.0	\$0.0	0.0%
<b>Transition to Teaching: Troops to Teachers</b>	n/a	\$25.0	\$0.0	\$0.0	0.0%
<b>Early Childhood Educator Professional Development</b>	n/a	\$30.0	\$0.0	\$0.0	0.0%
Title VI	\$365.7	\$0.0	\$385.0	\$19.3	5.3%
Class Size Reduction	\$1,300.0	\$1,750.0	\$1,623.0	\$323.0	24.8%
Teacher Empowerment Act	n/a	\$0.0	\$0.0	\$0.0	0.0%
Safe and Drug Free Schools (total)	\$600.0	\$650.0	\$644.3	\$44.3	7.4%
State Grants	\$439.3	\$439.3	\$439.3	\$0.0	0.0%
National Programs	\$160.7	\$200.7	\$205.0	\$44.3	27.5%
Project SERV	\$0.0	\$10.0	\$0.0	\$0.0	0.0%

FY2001 Funding Levels for Selected Education Programs (\$ in millions)					
	FY 2000 Enacted	FY 2001 President	FY2001 Final Bill	\$ Amount Change from FY2000	Percentage Change from FY2000
<b>FUNDING FOR SELECTED PROGRAMS</b>					
Magnet Schools	\$110.0	\$110.0	\$110.0	\$0.0	0.0%
Training & Advisory Services (CRA IV)	\$7.3	\$7.3	\$7.3	\$0.0	0.0%
Charter Schools	\$145.0	\$175.0	\$190.0	\$45.0	31.0%
<b>OPTIONS-Opportunities to Improve Our Nation's Schools</b>	n/a	\$20.0	\$0.0	\$0.0	0.0%
Comprehensive Regional Assist. Centers	\$28.0	\$0.0	\$28.0	\$0.0	0.0%
Reading and Literacy Grants	\$260.0	\$286.0	\$286.0	\$26.0	10.0%
Indian Education (total)	\$77.0	\$115.5	\$115.5	\$38.5	50.0%
<b>School Renovation</b>	n/a	\$1,300.0	\$0.0	\$0.0	0.0%
School Renovation State grants (c)	n/a	\$0.0	\$1,200.0	n/a	n/a
Bilingual Education	\$248.0	\$296.0	\$296.0	\$48.0	19.4%
Immigrant Education	\$150.0	\$150.0	\$150.0	\$0.0	0.0%
Special Education (total)	\$6,036.1	\$6,368.8	\$7,439.9	\$1,403.8	23.3%
State Grants	\$4,989.7	\$5,279.7	\$6,339.7	\$1,350.0	27.1%
Vocational Education (total)	\$1,192.8	\$1,183.8	\$1,243.1	\$50.4	4.2%
State grants	\$1,055.7	\$855.7	\$1,100.0	\$44.4	4.2%
Tech-prep education	\$106.0	\$306.0	\$106.0	\$0.0	0.0%
Adult Education (total)	\$470.0	\$555.5	\$560.5	\$90.5	19.3%
Federal Pell Grants	\$7,639.7	\$8,356.0	\$8,756.0	\$1,116.3	14.6%
Pell Grants (maximum award)	(\$3,300.0)	(\$3,500.0)	(\$3,750.0)	(\$450.0)	13.6%
Supplemental Ed Op. Grants (SEOG)	\$631.0	\$691.0	\$691.0	\$60.0	9.5%
Federal Work Study	\$934.0	\$1,011.0	\$1,011.0	\$77.0	8.2%
Perkins Loans Capital Contributions	\$100.0	\$100.0	\$100.0	\$0.0	0.0%
Leveraging Ed Asst Partnerships (LEAP)	\$40.0	\$40.0	\$55.0	\$15.0	37.5%
Title III HEA - Strengthening Institutions	\$60.3	\$63.0	\$73.0	\$12.8	21.2%
Strengthening HBCU	\$148.8	\$169.0	\$185.0	\$36.3	24.4%
Strengthening HBCU-Graduate Institutions	\$31.0	\$40.0	\$45.0	\$14.0	45.2%
<b>Dual Degree Program for Minority Serving Institutions</b>	n/a	\$40.0	\$0.0	\$0.0	0.0%
Hispanic Serving Institutions	\$42.3	\$62.5	\$68.5	\$26.3	62.1%
FIPSE (d)	\$75.0	\$31.2	\$146.7	\$71.7	95.6%
Demos for Students with Disabilities	\$5.0	\$5.0	\$6.0	\$1.0	20.0%
TRIO	\$645.0	\$725.0	\$730.0	\$85.0	13.2%
GEAR-UP	\$200.0	\$325.0	\$295.0	\$95.0	47.5%
Byrd Honor Scholarships	\$39.9	\$41.0	\$41.0	\$1.1	2.9%
Javits Fellowships	\$20.0	\$10.0	\$10.0	-\$10.0	-50.0%
Graduate Assistance in Areas of National Need	\$31.0	\$31.0	\$31.0	\$0.0	0.0%
Campus-based Child Care Center	\$5.0	\$15.0	\$25.0	\$20.0	400.0%
Learning Anytime Anywhere Partnership	\$23.3	\$30.0	\$30.0	\$6.7	28.9%
Teacher Quality Enhancement	\$98.0	\$98.0	\$98.0	\$0.0	0.0%
Research and Development	\$168.6	\$198.6	\$185.6	\$17.0	10.1%
Statistics	\$68.0	\$84.0	\$80.0	\$12.0	17.6%
Assessment	\$40.0	\$42.5	\$40.0	\$0.0	0.0%
Fund for the Improvement of Education (d)	\$244.2	\$137.1	\$349.4	\$105.1	43.0%

FY2001 Funding Levels for Selected Education Programs (\$ in millions)					
	FY 2000 Enacted	FY 2001 President	FY2001 Final Bill	\$ Amount Change from FY2000	Percentage Change from FY2000
<b>FUNDING FOR SELECTED PROGRAMS</b>					
International Education Exchange	\$7.0	\$8.0	\$10.0	\$3.0	42.9%
Total Education Department Only	\$35,578.0	\$40,094.9	\$42,091.6	\$6,512.6	18.3%
Libraries	\$166.8	\$173.0	\$207.2	\$40.4	24.0%
Corporation for Public Broadcasting	\$326.1	\$365.0	\$360.0	\$34.0	10.4%
Head Start	\$5,267.0	\$6,267.0	\$6,200.0	\$933.0	18.0%
<p><b>President's New Initiatives in bold face.</b>  n/a=not applicable, new programs  (a) Goals 2000 expired in 2000 with the exception of parental assistance funding.  (b) Accountability grant funds are included in state basic grant allocations.  (c) Includes \$901 million for school renovation grants, \$274 million for IDEA and technology grants, and \$25 million for charter school facilities.  (d) A large proportion of these funds are earmarked for specific projects.</p>					





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## Attachment B

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**CALIFORNIA POSTSECONDARY EDUCATION COMMISSION**

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December 21, 2000

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510-0504

Dear Senator Feinstein:

The California Postsecondary Education Commission urges you to make changes in the Pell Grant “tuition sensitivity” provisions that limit the ability of California’s lowest income community college students from receiving the maximum funded Pell Grant award.

According to the California Community Colleges Chancellor’s Office, nearly 180,000 California Community College students who receive Pell Grants will soon be denied the full Pell Grant award because of a tuition sensitivity threshold contained in current federal law. Under this law, all students can be eligible, based on financial need, for a maximum Pell Grant of \$2,700, plus half the annual appropriated amount above \$2,700; eligibility for the other half, however, is based on the tuition and fees charged by their institution.

California has a longstanding commitment to postsecondary education opportunity. Support from California taxpayers keeps California Community College student fees low and provides state aid to waive the fees for the lowest income students. These low fees have an unfortunate effect on the Pell Grant allowances for California’s community college students. Because of the tuition sensitivity threshold provisions in federal law, these students will receive only 50 percent of any increases Congress appropriates for the Pell Grant in FY 2001, while students in every other state will receive 100 percent of any increases.

Those most affected by tuition-sensitivity are students whose financial circumstances result in a “zero expected family contribution.” In other words, according to a calculation using federal methodology, these students have no family resources available for education costs. For a single student, this typically means an annual income of less than \$5,000; for a single parent with two children, an income of less than \$18,000; for a two-parent, two-child family with one child in college, an income of less than \$22,000.

California’s efforts to reduce institutional costs should not have the adverse effect of reducing the Pell Grant funds available to pay for these students’ other costs, such as books and supplies, transportation to classes, child care, room and board, and other non-tuition expenses. Assistance with these costs can help a student enroll full-time, persist from term to term, and successfully complete a degree or certificate program.

A change in the Pell Grant tuition sensitivity provisions is needed in the federal law to allow California Community College students to receive the maximum Pell Grant award, and assist the State in its efforts to make education beyond high school accessible to all Californians. We look forward to working with you to ensure that California students, like students in other states, receive the maximum assistance for which they are eligible. Please call Warren Fox, the Commission’s Executive Director, if we can provide additional information on this critical issue to low-income California Community College students.

Sincerely,

Alan Arkatov  
Chair-Elect

Carol Chandler  
Vice Chair-Elect